POSTWAR DEVELOPMENTS IN FARM SECURITY

The Annual Report of the Farm Security Administration for 1945-46

UNITED STATES DEPARTMENT OF AGRICULTURE

- C O N T E N T S -

On August 14, 1946, the Farmers' Home Administration Act of 1946 became law. Under this Act, the functions of the Farm Security Administration were transferred to the new FHA on November 1, 1946.

The new agency will continue the work begun by Farm Security in helping small farmers make basic adjustments and improvements in their farming that will place them in a strong position for the years ahead. It will continue to provide tenants, farm laborers, and sharecroppers with the opportunity for farm ownership. And it will continue to help qualified World War II veterans get a sound start on the land.

-Dillard B. Lasseter, Administrator
Farmers Home Administration

HIGHLIGHTS OF THE YEAR

Within the limits of its funds and authority the Farm Security Administration has provided supervised credit and rehabilitation services to small farmers who could not obtain assistance from any other source.

All during the war it was evident that even where there is a great demand and high prices for farm products, these do not automatically solve the problems of many small farmers. Thousands of farm families were working with inadequate tools, insufficient capital, and out-dated methods. Their production was too small to enable them to benefit greatly from wartime prices. They needed operating credit and guidance in changing their ways of farming if they were to increase their production enough to give them adequate incomes.

Tenant farmers - even many of those who had most of the operating items needed to run farms of their own, and enough experience and ability to have a good chance of succeeding as farm owners - still needed credit before they could buy a farm of their own.

Farm Security's aid to families in these groups was to be an important phase of the agency's postwar work, as it had been its main work in the past. As the war neared it's end, two other phases of the agency's postwar job began taking shape. Families who left farms to enter war industry, and who were displaced in the first stages of industrial reconversion, applied for help in getting a new start in farming. Thousands of World War II veterans also turned to FSA for assistance.

By the end of the 1946 fiscal year, Farm Security's postwar work was already well under way. It was carried on through the agency's three regular programs -- rural rehabilitation, farm ownership, and water facilities.

During the year, 115,650[1] families received credit through the rural rehabilitation program. They were assisted in working out sound farm and home plans, and obtained operating loans to finance the purchase of the livestock, farm equipment, and other items they needed to carry out their plans and do an efficient job of farming. County FSA Supervisors also helped the families with individual, on-farm guidance in good farm and home management practices.

The 3,657 families who received loans during the year in the farm ownership program to buy family-type farms of their own, and the 1,188 families who received water facilities loans also were given help in forming plans and putting them into practice.

[1] This number does not include 23,017 families who received original or supplemental loans in 1946 from funds held in trust by the Government for the various State Rural Rehabilitation Corporations created during the depression period. A cumulative number of more than 245,000 families had received loans from this source by the end of the fiscal year.

Many former war workers and veterans were among those receiving assistance. Loans to World War II veterans during the year totaled more than $42,094,000, and made up about one third of FSA's lending during the year.

The loans made in 1946 brought the total number of families active in the rehabilitation, farm ownership and water facilities programs to 277,174 at the end of the fiscal year.

The services to veterans and non-veterans were essentially the same. But each group used the help it received for a different purpose. While veterans used the FSA combination of credit and guidance to get started on an efficient basis, other farmers used the services largely to overcome existing problems and to make adjustments and improve their operations.

Time for Adjustments The need of many small farmers to make adjustments was obvious. During the war agriculture had become more mechanized, more complex. It required greater knowledge and sounder planning for successful farm operation.

The small farmer has to keep pace with changing agriculture, or lose out.

Just how many small farmers need to make great adjustments is difficult to estimate. Farm income statistics give one indication. An early study that was made of the 1945 Agriculture Census shows that more than half of the farms in the United States produce less than $1,500 per year. About 38 percent of the farms produce less than $1,000.

This data is for a year of high prosperity. Yet studies of FSA borrowers' records show that on the average the farm family needs an income of about $1,400 to meet both operating expenses on an efficient family-type farm and family living expenses. This does not include the funds needed to retire debts and purchase farm and home capital goods.

The opportunity for small farmers to make basic adjustments in their farming programs appeared better in 1946 than it had for some time. Too often in the past they had to base their plans on emergency measures brought about by the depression or the war.

Now, in an era of peace and prosperity, these farmers have an opportunity to put in permanent pastures, develop better livestock herds, diversify their farming, and carry out similar changes that they have long wished to make.

Demand for Aid Increases When the war ended, early in the 1946 fiscal year, the demand for assistance began to increase. It continued to expand all during the year.

Applications were heavy in both the rehabilitation and the farm ownership programs. In the spring the demand reached its highest peak since 1942, shortly after the war began. About 3 applications for rehabilitation loans were being received for each loan that could be made.

By the middle of January, many counties had exhausted their rehabilitation loan funds, and practically all of the $67,500,000 authorized for the loans had been used by March. The situation was eased when Congress provided an additional loan authorization of $15,000,000 to be used during the rest of the year, with preference given to World War II veterans. Even then the demand for assistance outran the ability of the agency to provide it.

The demand also increased in the farm ownership program, partly because of the large number of veterans who turned to FSA for aid in making farm purchases. There were 85,000 applications on hand in the program at the end of the year--35 percent more than the year before. Demand has always far outdistanced the agency's lending authority in this program.

Borrowers Make Progress The progress of families who had already received guidance and financing showed that small farmers can succeed in improving their situation if they are given a chance to do so. A recent study made by the agency showed that rehabilitation borrowers by 1945 had more than tripled their working capital since first receiving Farm Security aid. Their net worth had increased, and they were tilling more acres. Loan repayments for all rehabilitation borrowers amounted to 90 percent of maturities.

Progress in farming was also shown by farm ownership borrowers who, in addition, chalked up an average of slightly over two yearly payments ahead of schedule. This record was the best in the history of the program.

Building Community Resources Beneficiaries of this progress were not limited to the FSA borrowers. Rural communities throughout the Nation shared in the results of the families' improved farming. Banks had new customers as these farmers repaid their FSA loans and were able to qualify for regular financing. As their incomes increased, the families' purchasing power also increased and business in their localities was stimulated. Schools and other tax-supported institutions have been strengthened because of the progress made.

The net worth of the 195,406 families on the rehabilitation program in 1945 increased an average of $1,734 since they first received FSA aid. This meant an addition of nearly $339,000,000 to the wealth of their communities by this group alone.

Employees Return from Armed Forces Another highlight of the first postwar year in Farm Security was the return of FSA employees who had served in the armed forces. By the end of the year, more than 1,700 of the 3,200 who went into military service had returned. Many of them were supervisors who began working with veterans to help them get re-established on the land.

Other FSA employees were still in service, and some had chosen other employment after their discharge. Seventy-six employees were killed or reported missing in action.

RURAL REHABILITATION

Rural rehabilitation is the largest program carried on by Farm Security. Set up in 1935, it had an emergency purpose in helping low-income families tide themselves over the difficult depression years. Before the war it gradually evolved into a plan for orderly rehabilitation which would enable farm families to carry out basic adjustments and improvements. During the war the emphasis was on war food production.

Sharecroppers, tenants and farm owners are eligible for aid, providing they are unable to get adequate credit from other sources to finance sound farming operations.

How Adjustments Are Made There is no set pattern for the rehabilitation of these farm families. Their needs, circumstances, and abilities are different. But FSA's eleven years of experience has shown that there are certain things that are necessary in rehabilitation.

First, there is need for a full understanding with each applicant that FSA loans are supervised and that the farmer and his wife and the FSA supervisor will, if the application is approved, jointly undertake to change unsuccessful farm and home operations into successful operations.

Having arrived at that understanding, there must be a complete analysis of the farm and farming methods and abilities of each family. This shows up the weak spots in the farm and home operations which should be corrected.

From this information a farm and home plan is then developed by the family with the help of the County FSA Supervisor. The plan sets up an efficient production program. It spells out in detail the best use of family labor and ability on the particular land the family is farming. This is a practical chart for the important changes and adjustments that are made.

All plans call for the development of two or more farm enterprises to produce goods for the market. They rule out one-crop farming as being too risky a business. They also call for the adoption of farming methods that will build up and maintain the fertility of the soil, and they call for the home production and conservation of most of the family's food supply and feed for livestock.

Aside from these general requirements, the plans are built around the individual resources and capacities of each family and its farm.

The next step is to provide the family with the credit needed to carry out its plan. In 1946, no borrower could get more than $2,500 in loans. Necessary supplemental credit could be provided later if it were required. The loans are repayable at 5 percent interest and are made for from one to five years, depending on the life of the security for the loan and upon the repayment ability of the borrower.

Finally, for almost all of the families who have come to Farm Security, rehabilitation has also depended upon individual, on-farm

guidance in the actual use of sound farming practices. Many of the farmers who are eligible for Farm Security assistance have never had the opportunity to profit from modern advances in agricultural science and technology. They need expert help to put plans into use and adapt the knowledge developed through scientific research to their own abilities and their own land.

FSA supervisors, trained in up-to-date agricultural practices, provide individual guidance to the families to the extent it is needed. As the families learn new farm and home management practices, they go ahead on their own.

The 1946 Program The rehabilitation program in 1946 was designed to give maximum assistance to the largest possible number of the Nation's low-income farm families, returning veterans, and displaced war workers.

Because the demand for aid and the opportunity for making adjustments were great, it was important to help as many as possible reach a safe position for the years ahead. Congress, in providing an additional loan authorization in the Spring, made it possible to extend aid to about 25 percent more applicants than the original funds would have permitted.

From the $82,500,000 available for loans during the year, initial loans were made to 33,555 farm families who received this aid for the first time, and supplemental loans were made to 82,095 borrowers who needed further assistance to complete their progress toward rehabilitation.

The average size of the original loans was $1,323, the largest in the history of this program. The increase was part of a slow but steady rise since the depression years, when money was loaned largely for subsistence and operating purposes. Sample studies indicate that the loans in recent years have largely been used for the purchase of capital goods, with a small percent of the funds going for farm operating expenses. Very little is now used for family subsistence. The higher cost to the small farmer of the things he needs to buy are, of course, also reflected in the larger size of the loans.

The basic methods and policies FSA used in carrying on the program were similar to those of 1945. The chief emphasis was placed on perfecting the techniques of rehabilitation that had previously been developed. Means of further improving farm and home planning and on-the-farm supervision were studied. Increased use was made of the technical services available from State colleges, experimental stations, Soil Conservation Service technicians, and other sources of specialized aids.

Three of the standard tools used in the rehabilitation program were tenure improvement, the live-at-home program, and group services.

Tenure Improvement Thousands of tenant farmers move from one farm to another every year or so because they have little security on the land they are operating, or because they are searching

for better land and better returns for their labor. Because of their constant moving, these families are unable to build up a well-balanced farming program.

Farm Security continued during the year its policy of making a rehabilitation loan only after the family had obtained a satisfactory lease on adequate land. County Supervisors and the members of the County FSA Committees helped the families as much as possible in locating good farms.

Written leases are encouraged by FSA as a protection to both landlord and tenant, and as a means of promoting better and clearer understanding between them. These leases are fair to both. In addition to stating the terms under which the tenant is to operate the farm, they make allowance for the tenant's improvements to the farm, and further the use of sound, soil-conserving farm practices.

A recent study showed that sixty percent of the 195,406 active rehabilitation borrowers in 1945 were tenants. More than 89,000 of these tenants had written leases, and about 36,000 of the leases ran for more than one year, or were automatically renewable. Some of the leases ran for as long as five years or more. In most areas, the great majority of the tenants had formerly operated under loose, oral agreements.

Live-at-Home Program As in previous years, borrowers during 1946 were urged to be as self-sufficient as possible in meeting their food and clothing needs. They put in adequate gardens, and canned and stored an ample amount of food for their families to carry them over the winter months. Farm Security's home supervisors helped out with demonstrations of good canning and storage methods, and gave borrowers whatever guidance was necessary in the repair and remodeling of clothing. This was the live-at-home program, and it reduced borrowers' cash expenditures while providing them with a home-made, higher standard of living. As a part of this program, families were also encouraged to grow as much of the feed for their livestock as possible.

Group Services In order to run his farm in the most businesslike way, to carry out modern farming methods, and to compete with large-scale farms on a nearly equal basis, many a family-farmer needs machinery and services that he cannot afford to buy or maintain by himself.

Farm Security continued during the year to help borrowers join with their neighbors in simple services for the group purchase and use of such items as purebred sires to improve their livestock herds, fertilizer and lime spreaders, hay balers, mowers, storage facilities, food preservation equipment, and other needed farm and home services. These group services made it possible for the farmers to keep their capital investment in balance with their other resources and the size of their operations, and still provide themselves with modern production equipment.

Two types of organization are used for group services. In one instance, a single farmer called a "master owner" receives a loan from

FSA for the purchase of the needed facility. The farmers' neighbors agree to share in its use and help defray its cost and operating expenses by paying service fees. Under the other method, farmers band together in an informal association to buy and handle the new service, borrowing individually to contribute to the purchase price.

When the farmers are able to finance their own shares, no loan is made. But even then they frequently call on FSA for help in planning the most efficient and economical use of the new facility.

During 1946, FSA borrowers and their neighbors formed 519 group services. Each group had an average of seven members, and loans totaling $590,869 were made. More than 13,400 groups begun in earlier years continued to provide their members with services.

The loans for group services are made from rural rehabilitation funds at the regular rate of 5 percent interest.

Borrowers' Progress Of the 893,000 families who have received aid in the rural rehabilitation program since it was begun, more than 434,000 had repaid in full by the close of 1946.

Altogether, $688,690,714 of the $1,005,392,816 advanced has been paid back, and an additional $95,347,194 in interest has been collected. Table I in the Appendix shows the details of the loans and collections both for the Nation, and for the separate States.

But the borrowers' real progress is shown, not primarily by repayments, but by the use they have made of FSA supervised credit to achieve wiser planning of their enterprises, more efficient farm and home management practices, and other measures that build security. These are reflected in the following table, which shows the progress that borrowers who were active on the program during 1945 had made since the year before coming to Farm Security.

Progress Measure	Before Receiving Loan	End of 1945
Value of working capital .	$ 722	$2,356
Total owned	$1,680	$4,078
Size of farm	111 acres	176 acres
Land in crops	47 acres	78 acres
Net worth	$1,011	$2,745

The families during 1945 used an average of 503 gallons of farm-produced milk in their homes, 139 dozen eggs, and 538 pounds of dressed meats. Their family orchards and gardens provided a variety of fresh fruits and vegetables throughout the growing season and enough surplus to can an average of 296 quarts and store 22 bushels. Many had followed an inadequate live-at-home system before coming to Farm Security and were for the first time reaping the benefits of planning and of good practices that brought them better nutrition at less cost to their pocketbooks.

Even more significant are the basic changes they are making in their farming. In the South, FSA families are diversifying crop production and expanding livestock programs. Such legume crops as kudzu are being introduced with marked success on their farms. In the Midwest, a dairy herd and pasture improvement program is increasing the milk production in the various milk-sheds, while improved breeding and the use of clean pastures is making more pork available from FSA farms.

Still another measure of progress among borrowers is shown by the change in their tenure status from the year before receiving FSA aid compared with their status in 1945:

Tenure Group	Before FSA	1945
Full owners	24%	31%
Part owners	6	9
Cash renters	11	16
Share renters	26	44
Sharecroppers	15	***
Farm laborers	12	***
Non-farm workers	6	***
Other	Less than 0.5%	***

The famed "agricultural ladder" by which a man can supposedly rise from laborer to owner has actually worked for these farmers.

FARM OWNERSHIP

Helping farm tenants, farm laborers and sharecroppers to become farm owners is a further step in enabling farm people to achieve security and stability on the land.

The FSA farm ownership program was authorized by the Bankhead-Jones Farm Tenant Act of 1937, which was passed by Congress as a result of a growing national awareness that, over a long period of years, tenancy was gradually replacing family-type farm ownership as the basic pattern in American agriculture.

In the program, 40-year loans at 3 percent interest are made to capable farm tenants, farm laborers and sharecroppers to enable them to buy family-type farms. Rural youth and more recently World War II veterans with farming experience have also been able to get a sound start on their own land through this program. All farm ownership borrowers receive the same technical and advisory help from FSA that is supplied to the borrowers in the rehabilitation program.

The loans are repayable on a variable payment plan. This calls for larger payments in good years and proportionately smaller payments or no payments in lean years. The plan is a milestone in farm credit policies. Congress, in writing it into the Bankhead-Jones Farm Tenant Act, recognized that farming as a business is characterized by ups and downs, and that debt-paying ability rises and falls correspondingly. This is

one factor in the success of the small farmers who are buying their farms in the program.

More than 41,000 farm ownership loans have been made in the past nine years. Many of them were made to families who had learned efficient farm and home practices in the rehabilitation program, and who had in that program also acquired the machinery, livestock, equipment and other capital resources they needed for a business-like job of farming.

Farm Ownership in 1946 The Congress provided $50,000,000 for farm ownership loans in 1946, and earmarked half of it for World War II veterans alone. The veterans' funds were distributed among the States and Territories as needed to meet qualified veterans' applications. The remainder, which was authorized for loans in the regular farm ownership program, was allocated by law on the basis of farm population and the prevalence of tenancy.

New loans were made to 3,657 families during the year, more than half of them to World War II veterans. The average size of the loans was $7,610, as compared with $5,947 in 1945 and $5,690 for the six-year period from 1938 to 1944.

Two things were largely responsible for the 1946 increase in the average size of the loans. First, the veterans' earmarked fund was distributed on the basis of need rather than by the tenancy-population yardstick, and as a result a greater number of loans could be made in the New England and Western States than in the past. Family-type farms tend to cost more in these areas than in some of the areas where the greatest number of loans are customarily made. Second, there was a higher price limitation on veteran loans than there was for non-veterans, and the large number of veteran loans tended to raise the average loan size.

The price limitation for non-veterans was contained in the 1946 Agriculture Appropriation Act, and limited each farm ownership loan to not more than 15 percent above the average value of the farms of 30 acres or more in the county where a farm was purchased. The price limitation on veteran loans was $12,000.

Of the $50,000,000 available for all farm ownership loans, only $28,070,067[1] was obligated. Several things prevented the use of the entire loan authorization, in spite of the fact that there were 15 applications for each loan that the authorization would permit:

(1) Land values were too high in some areas. Farm Security continued its policy of approving loans only for applicants who were able

[1] Includes supplemental loans to borrowers who had received their original ownership loans in prior years, but who needed additional funds to make repairs and improvements, etc. The supplemental loans are usually small. This figure excludes $3,192,577 non-cash advances covering sale of project units in 1946. See chapter on project liquidation.

to find adequate farms for sale at prices in line with their long-time earning capacity values. (2) The price limitation on non-veteran loans made it difficult or impossible in many counties for applicants to find farms that came within the limit and were still efficient units. (3) The loan authorization for non-veterans could not be shifted from State to State, as could the veteran funds, in order to use the authorization in places where economic farm units could be purchased.

Congress has since raised the price limitation. From the start of the 1947 fiscal year, farm ownership loans could be made for farms in any county so long as the farm does not have a value in excess of the average value of efficient family-type farm management units in the same county.

Borrowers' Repayments The 1946 repayment record was the best in the history of the program. More than 2,830 families paid out their loans in full during the year, many years before their final payments were due. This brought the total number of families who have paid in full up to 5,129. Nearly three-fourths of this total paid from income, while the others paid from sale of their farms. In a number of cases they sold their land to the Government for military needs during the war.

The active borrowers -- not counting those who have paid out -- had repaid 59 percent more than the amounts required to keep them current on the basis of equal, annual installments over the 40-year period of their loans. This was the record by the end of March, when payments in this program come due.

In terms of principal and interest, these active borrowers had repaid $49,539,733. This compares with $31,232,719 that would have been due if all families were repaying a fixed amount each year over the 40-year term.

Some borrowers repay on a fixed payment plan, as this was permitted in the payment contracts made in the early years of the program. By 1946, however, eighty-four percent of all active borrowers were using the variable payment plan under which their payments are adjusted to each year's income. During recent years of favorable income, these borrowers have built up substantial margins of safety to carry their loans through less prosperous years.

Following is a breakdown on the status of the active variable payment borrowers, who were primarily responsible for the high farm ownership repayment average:

Sixty-eight percent were ahead of schedule, as compared with 66 percent in 1945. They were ahead by an average of $1,021, or somewhat more than 4 annual installments.

Sixteen percent were on schedule in their repayments.

Sixteen percent were behind schedule, by an average of $259, or somewhat less than one annual installment. In 1945, 18 percent had been behind schedule.

By the close of the year, the grand total loaned during the nine years of the program amounted to $259,147,970[1]. At the same time, all types of repayments from active and paid-up borrowers amounted to $98,229,327 on these 40-year loans. This does not include an additional $23,026,897 collected by FSA in extra payments, which are made up of refunds on loans, and payments made from other than normal farm income, such as sale of mineral rights and timber.

State-by-State information on the purchase loans and collections and the status of borrowers is contained in Tables II and III in the Appendix.

Rural Housing Bad housing is a menace to the health and safety of the family living in it. In farming, it can also slow up the efficiency of the farmer and his wife in the day-to-day conduct of their business. Good housing has therefore always been a basic principle in the farm ownership program. If a farm lacks an adequate house, in good repair, when a family buys it, the loan includes funds to put the house in a suitable condition or to build a new one. The same is true of the other farm buildings.

The County FSA Supervisor and an FSA engineer consult with the family, and advise them on the work that needs to be done along this line. Standard building plans, developed by the agency, are available to the families who care to use them.

During the past few years, most construction jobs have been delayed because of restrictions on the use of critical building materials. Many borrowers have not yet used the funds that were included in their loans for this purpose. Only a small amount of construction work was carried on during the year. Other borrowers will go ahead with their planned improvements as soon as this is possible.

WATER FACILITIES

In many western areas, the lack of adequate water for irrigation, livestock, and domestic use is a more serious obstacle to the stability of farm people on the land than is the lack of good soil.

It has kept many western farmers and ranchers operating at a level of bare subsistence. With the arrival of drought or low prices, hundreds of families have been forced to leave their homes and find other ways of earning a living.

Farm Security is responsible for carrying out the Department of Agriculture's water facilities program which operates in the arid and semi-arid regions of the 17 Western States. Begun in 1938, the program is designed to help family-type farms survive in the dryland areas. Long-term credit at 3 percent interest is provided to farmers and to groups of farmers to enable them to improve and repair existing water facilities or to construct new facilities. These facilities make it possible for small farmers to store water and use it wisely to make their farming profitable.

[1] Includes $9,038,944 non-cash advances covering sale of project units.

The loans are limited to farmers who are unable to get the credit they need from other sources. Two kinds of loans are made: (1) For farmstead facilities to provide water for livestock, garden and home use, but not including plumbing; and (2) for irrigation purposes. The farmstead loans can be made in every county in the 17 States, while irrigation loans are made only in approved areas.

Engineering, legal, and other technical services are provided without cost to borrowers. Aid is also given the families in working out sound farm and home plans, and on-farm guidance in efficient farm practices is supplied with each loan to the extent it is needed.

Since the beginning of this program, more than 10,000 families have been served either through individual or group loans. In 1946, initial loans were made to 1,083 families, and supplemental loans made to more than 100 families on an individual basis. Thirteen group loans were also made during the year.

About 19,600 facilities are now completed or are under construction. Among these are ponds, wells, pumps, windmills, springs, tanks, and distribution systems for irrigation purposes.

Borrowers' Progress By the end of the year, borrowers had repaid 104 percent of the principal that had fallen due on their loans. These repayments, along with interest, made up one-half of the total amount loaned in the eight years of the program. Complete information on loans and collections for the entire program, and by States, is given in Table IV of the Appendix.

Still better evidence of the families' success is shown in a study that was made of the records of more than 2,000 water facilities borrowers. A few of the items contained in this study were briefly mentioned in the previous FSA annual report. During the past year, however, the study was completed and more data were available to show the progress made. In this survey, the production and net worth of borrowers in 1944 were compared with the year before the families' improved water facilities were installed. It showed a remarkable change in nearly all aspects of their farming:

Progress Measure	Irrigation Borrowers Only			All WF Borrowers		
	B/I.*	1944	% Change	B/I.*	1944	% Change
Net worth	$8,110	$11,848	46%	$4,483	$7,082	58%
Net farm income	$2,148	$ 3,823	78	$1,510	$2,353	56
Crop sales	$1,106	$ 1,982	79	$ 766	$1,332	74
Livestock sales	$1,315	$ 2,685	104	$ 696	$1,084	56
Livestock products sales . . .	$1,381	$ 2,025	47	$ 706	$1,153	63
Cattle & calves sold (number) .	6	11	83	6	9	50
Poultry sold (number)	92	125	36	53	75	42
Eggs sold (dozens)	1,019	1,655	62	825	1,169	42
Dairy products sold (gallons) .	5,886	7,241	23	3,537	4,349	23
Value of food and fuel produced for home use	$ 357	$ 439	23	$ 358	$ 449	25

*Before the installation of water facilities.

In the last few years, loans have been made in the water facilities program only in cases where little strategic material would be used, and where the repairs or new developments would result in immediate increases in essential food production, or would provide clean running water needed for farm and homestead. As the supply of necessary materials improves, a large demand for loans requiring complete installation of new equipment is expected. Even with a restricted program in recent years, not all of the eligible applicants could be aided.

HEALTH SERVICES

The physical condition and health of the farmer and his family are recognized by FSA as of utmost importance in the rehabilitation of rural families. Many of the farm families who come to FSA for help are physically unable to carry on efficient farm and home operations.

Health problems are largely the result of faulty nutrition, unsanitary living conditions, and lack of medical care. Most applicants for FSA aid cannot afford adequate medical care and in many cases serious illness in their families has wiped out their financial assets.

Because bad health was frequently a factor in farm failures, and often the cause of delinquent accounts, Farm Security developed a health program geared to meet the needs of low-income farm families. The first step was to aid borrowers in organizing group health associations through which they could pool their funds to pay for medical care.

Ten years ago, such associations were set up in eight counties with the cooperation of State and local medical societies. By the first of January 1946, there were 706 units in 1,029 counties in operation. They served about 52,503 families -- some 268,943 persons. A number of the units included dental, surgical and hospital services as well as physicians' services.

The member families in the associations contribute dues in advance into a common fund. An effort is made to base the membership rates on the average ability of the families in the area to pay. The rates also depend on the services covered in the plan, and on the size of the family. Generally the fees range from about $20 to $45 a year for each family.

Each family joins voluntarily, and has a free choice of its doctor from among those participating. In most plans they receive the following services: (1) ordinary medical care, including examination, diagnosis, and treatment; (2) obstetrical care; (3) ordinary drugs; (4) emergency surgery; and (5) emergency hospitalization.

When dental services are included, the services generally cover emergency dental treatment, simple fillings, extractions, and prophylaxis, and particularly preventive service for children.

Looking at Results Group health plans are on the whole well-liked in the rural areas where they have been tried. Member families are getting a greater volume of health services than is usually available to rural people.

Physicians, dentists and hospitals are being paid for services that in the past they often donated to charity. A study made during the year showed that families, through FSA-sponsored associations, paid out for professional care and drugs more than $1,240,000 in 1945 alone. They helped to strengthen the professional services in their communities as well as buying better health for themselves.

Other Health Services. The FSA health program operates on many fronts. It is not limited to the group health plans. Borrowers in various ways are helped to realize and meet their needs for better nutrition, better sanitation, good hygiene, and preventive medical and dental care.

During the year, Farm Security home management supervisors helped the wives of borrowers to learn the principles of good nutrition and balanced diets, and the way to preserve and prepare more and better food for the family table.

Borrowers were encouraged to participate in community health activities. State and local public health departments in several regions carried on close working relations last year with FSA's State, district and county workers so that borrowers could benefit from programs for the control of tuberculosis, hookworm disease and malaria, immunizations for preventable diseases, maternal and child health clinics, school health programs, and similar services.

With the cooperation of local public health officials, county FSA workers assisted families in building or repairing privies, screening their houses, and protecting their sources of drinking water. In Colorado, sanitation work was begun with the State Department of Health's sanitary engineers.

In spite of shortages of materials during the year, there were 1,462 privies built or improved, about the same number of houses screened, and pure water supplies provided on 1,277 farms operated by FSA borrowers.

A national agreement for mutual working relations on certain health problems was signed during the year by Farm Security and the Office of Vocational Rehabilitation in the Federal Security Agency. State vocational rehabilitation departments provide re-training and corrective medical treatment to handicapped people to enable them to get back into employment. People with hernia, defective eyesight, goiter and other chronic ailments may receive aid. Farm Security will refer to the State departments the members of FSA families who might be eligible.

The USDA Programs Farm Security played a leading role in helping the U. S. Department of Agriculture set up rural health programs in selected counties in Texas, Arkansas, Mississippi and Georgia. During 1946, FSA continued to give supervision and advice in these programs. The five associations involved were in their fourth year by June 30, and had a total membership of about 5,600 families.

These programs are open to all farm families, not just FSA borrowers. They were set up because the idea of group prepayment for medical

services had proved so successful that the Department was interested in getting some insight into how this principle might work for the whole rural population.

An effort was made to provide reasonably complete services, without the restrictions on the kind and extent of services that are necessary when a program has to be geared to the "purchasing power" of farm families.

AID TO VETERANS

Farm Security aid to veterans of World War II expanded rapidly in 1946. Initial rehabilitation loans were made to 15,229 veterans, and loans for the purchase of a family-type farm were made to 2,063 veterans. There were also a few veterans who received water facilities loans.

Supervised credit for veterans made up a large part of the agency's total lending during the year. More than two-fifths of all initial rehabilitation loans and more than one-half of the farm ownership loans were made to World War II men who wished to return to farming.

By June 30, a cumulative total of 19,985 returned servicemen had received $45,795,783 in the FSA programs. Thousands of applications were being received each month, and there was no indication that the record lending to veterans had reached its peak.

Various handicaps had to be overcome before any great number of loans could be made. In many areas, real estate prices rose far above their prewar levels, and veterans wanting to buy farms had a hard time finding any for sale at a price that the productivity of the land would justify. Moreover, veterans in some parts of the country found that few productive farms in their locality were available for rent.

County FSA committees and county supervisors throughout the country called to the attention of farmers in their vicinity the need of veterans for farms. Many retiring farmers who were selling out, and owners who had farms for rent, responded to the appeals and offered farms to veterans for rent or for sale at a price based upon a long-time earning capacity valuation.

Veterans' persistence in locating farms was also partly responsible for the large number of loans made. In many cases they had to make a long and diligent search for farms, and were not discouraged by their failure to turn up good ones immediately.

Safeguards for Veterans The techniques for helping small farmers to achieve rehabilitation and make a start toward farm ownership were, for veterans, safeguards that would get them off to a sound start and help to protect them against unsuccessful farming.

These safeguards are: (1) The fact that farm purchase loans are made only for farms selling at prices in line with their normal earning capacity values; (2) the help that FSA provides each borrower in working

out a sound farm and home plan, which puts the farming on a business-like basis; (3) the individual, on-farm guidance given to each borrower to help him follow his plan for successful farming; (4) the system of repayments in the farm ownership program under which loans are repaid on a plan calling for larger payments in good years and less in lean years over a 40-year period; and (5) the fact that in the rehabilitation program the farm income as well as the life of the mortgaged security is considered by FSA in setting the repayment time within the 5-year maximum allowed.

For the last half of the year, county FSA committees and supervisors were able to devote all of their time to helping veterans and other farmers through the Farm Security programs. Previously the committees, plus an additional member, had served as county veterans' agricultural loan committees to certify veterans as eligible for government-guaranteed "G. I. Farm Loans" under the Servicemen's Readjustment Act.

Committees ceased acting in this capacity shortly after amendments to the Readjustment Act were made law in December. The amended Act, by providing for automatic guaranty of the loans upon agreement by a veteran and a lender, ruled out the use of the certifying bodies.

State-by-State information on FSA loans to World War II veterans is contained in Table V in the Appendix.

FLOOD RESTORATION PROGRAM

For the third year, Farm Security administered the special program of loans and grants to farmers who suffered flood losses. The program was discontinued at the end of 1946 as the need for it declined.

Flood restoration assistance was begun in the summer of 1943 when Congress appropriated funds for flood restoration loans and grants to farmers whose property was destroyed or damaged by floods, and who were unable to get credit from other sources to make repairs to their damaged property or to get their farms back into production.

Two kinds of credit were offered: Production loans, for periods up to 10 years, and real estate loans for up to 20 years. By the end of 1946, more than 4,000 farmers had received loans amounting to $2,762,415 for production purposes. Twenty real estate loans, totaling $41,360 had been made, and 167 farmers had received nearly $34,000 in grants.

By the end of June, $1,281,886 in principal and $106,314 in interest had been repaid. The principal repayments amounted to 87 percent of maturities.

COOPERATIVE ASSOCIATIONS

As directed by Congress, no loans have been made to cooperative associations since June 30, 1943, except in the water facilities program; and no loans have been made to individuals to enable them to join cooperative associations except for medical, dental or hospital services or for water facilities. However, advisory and technical help to farmers' cooperative associations which had Farm Security loans outstanding was continued in 1946.

Previously FSA had advanced loans to 446[1] cooperative associations to make available to family-type farmers facilities for economical buying and selling, for grading, processing and storage of major farm products, and for other services that they needed.

Loans had been paid in full by 163 of the associations by the end of the year. Those co-ops which have not shown reasonable chances for success have been liquidated. Most of the active associations that are still indebted to the Government have favorable prospects and are offering services which their members urgently need. FSA is encouraging these associations to put their operations on the soundest basis possible so that they can serve effectively as tools of rehabilitation, repay their obligations, and obtain financing from other sources.

By year's end, a total of $3,562,364 in principal had been repaid of the $7,377,066 which had been loaned to the cooperatives, and more than $790,000 had been repaid in interest.

PROJECT LIQUIDATION

By the end of the fiscal year, nearly 8,500 of the 9,520 units in the 152 rural resettlement projects under Farm Security's management had been sold to private owners and 207 units had been transferred to other agencies. Nearly a quarter of the remaining units were under contract of sale.

Most of these projects were set up a number of years ago by the Resettlement Administration as a way of making good land available to low-income farm families who were farming poor land that could not yield them a living. The land for the project farms was generally purchased in large tracts and subdivided into family-size farms, with adequate buildings put up on each farm. But some of the projects were made up only of small subsistence units for part-time industrial workers.

When Farm Security was set up in 1937, all of the project properties were turned over to the new agency for completion, management, and eventual sale to families. The sales began as early as 1937 to a few families who had shown that they were ready to take on the responsibilities of ownership. In 1942 the nonfarming projects were transferred to the Federal Public Housing Authority for operation. Since 1944 the annual Agriculture Appropriation Acts have specified that the rural projects be sold to private owners as quickly as possible.

Most of the project units that were sold by the end of the year went to low-income farm families or to qualified World War II veterans. The county FSA committees appraised the farms on the basis of their long-time earning capacity, and determined the eligibility of the buyers. Families have 40 years to complete payments, at 3 percent interest, and use the variable payment plan.

About 831,982 acres of the resettlement project land had been sold by year's end, with only 111,035 acres remaining. Of the unsold property, more than 12,000 acres were under contract of sale.

[1] All data on loans to cooperative associations includes loans made from the State Rural Rehabilitation Corporation trust funds.

Considerable progress was made during the year in disposing of other property included in the liquidation program. The mandate of Congress provided for disposal of the Government's interest in the defense relocation corporations set up during the national defense period to assist farmers displaced by the building of military camps and defense plants in rural areas. Congress also called for the disposal of the land-leasing and land-purchasing associations established to help low-income farmers attain a greater degree of security on the land.

In July, 1946, Public Law 563 was approved. It governs the sale of remaining acreage which is suitable for ultimate disposition in economic farm units by giving preference to World War II veterans and present project occupants to whom purchase commitments have been made. It also limits to 640 acres in any one sale such lands as are suitable for economic farm units.

A LOOK AHEAD

The 1947 Agriculture Appropriation Act, approved in June, authorized $121,527,200 for Farm Security's farm ownership, rural rehabilitation, and water facilities loans in the new fiscal year.

From this fund, FSA estimated that it could make a total of 23,470 initial loans to individual family-type farmers and World War II veterans. Another 90,000 loans could be made to families already receiving assistance in the rehabilitation program who would need supplemental credit in order to carry out their farm and home plans.

Half of the $50,000,000 authorized for farm ownership loans was earmarked for World War II veterans. No funds for veterans were set aside in the rehabilitation or water facilities programs, but the agency determined that eligible veterans would be given preference. The amounts made available for the loans were $70,000,000 for rehabilitation and $1,527,200 for water facilities.

FSA's functions were to be transferred on November 1, 1946 to a new agency, the Farmers Home Administration, set up under Public Law 731 which was approved on August 14, 1946. The Act also transferred the emergency crop and feed loan functions of the Farm Credit Administration to the FHA.

The funds Congress authorized for Farm Security loans in the 1947 fiscal year can be used subject to the terms of the Act.

Two general types of credit were provided for:

1) <u>Production and subsistence loans</u>

These will be similar to Farm Security's rehabilitation loans, with a few changes. Top maximum on original loans was set at $3,500 and the limit on total outstanding indebtedness in the program at $5,000. Credit will be extended for up to 5 years, at 5 percent interest. The loans are to be refinanced by regular lenders, however, if at any time the borrower can get a loan from a regular credit source at the prevailing rates (but

not more than 5 percent) and terms in the area. The production and subsistence loans may cover the purchase of such operating needs as livestock, seed, feed, fertilizer, farm equipment, and may also include funds for refinancing indebtedness and for family subsistence.

2) Forty-year loans to buy, repair, improve or enlarge farms

(a) Direct. These are similar to the FSA farm ownership loans, but are broader in purpose. Interest was raised from the old 3 percent to 3½ percent. These loans are to be refinanced by regular lenders under the same conditions that were set for the production and subsistence loans.

(b) Insured. Special provisions in the Act allow FHA to insure mortgages held by private lenders when they make the type of farm ownership loan described above.

Veterans who served in the United States' armed forces in any war with another nation will have preference for the farm ownership loans, whether they are made directly by FHA or are insured by FHA. Qualified, disabled veterans will be eligible if their farm income, plus disability compensation, will be enough to pay their living and operating expenses and retire their debt.

The water facilities program was not affected by the FHA Act. Its basic authority stems from the Water Facilities Act, known as the Pope-Jones Act, which was approved in 1937 and amended in 1940.

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Appendix: Table I.--*Rural Rehabilitation Loans, Maturities and Collections Cumulative through June 30, 1946*[1]

State and Territory	Loan obligations[2]	Matured principal	Collections: Principal repayments[3]	Collections: Interest payments[4]	Collections: Total collections	Ratio of total collections to total loans	Ratio of principal payments to matured principal
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
U. S. TOTAL	$1,005,392,816	$762,462,900	$688,690,714	$95,347,194	$784,037,908	78.0	90.3
Alabama	45,088,084	36,398,052	28,264,372	4,172,109	32,436,481	71.9	77.7
Arizona	3,949,744	3,318,598	2,969,389	419,100	3,388,489	85.8	89.5
Arkansas	46,773,704	35,488,637	33,023,723	3,580,049	36,603,772	78.3	93.1
California	16,586,205	16,013,283	12,893,854	1,885,690	14,779,544	89.1	80.5
Colorado	27,944,313	22,127,704	18,854,954	2,897,477	21,752,431	77.8	85.2
Connecticut	1,194,934	1,175,495	1,056,659	117,907	1,174,566	98.3	89.9
Delaware	696,605	375,914	310,879	54,355	365,234	52.4	82.7
Florida	13,132,783	10,327,355	7,655,866	1,281,924	8,937,790	68.1	74.1
Georgia	41,527,470	33,296,661	26,246,708	3,697,804	29,944,512	72.1	78.8
Idaho	18,407,997	14,235,668	13,389,471	1,776,136	15,165,607	82.4	94.1
Illinois	20,777,119	15,210,356	14,622,294	2,264,501	16,886,795	81.3	96.1
Indiana	17,038,903	13,377,791	13,049,049	1,828,910	14,877,959	87.3	97.5
Iowa	24,740,170	18,156,014	17,950,549	2,517,239	20,467,788	82.7	98.9
Kansas	29,620,192	23,187,546	21,041,367	3,371,443	24,412,810	82.4	90.7
Kentucky	14,971,402	11,941,291	11,519,571	1,357,190	12,876,761	86.0	96.5
Louisiana	35,197,837	27,558,554	24,500,346	2,590,479	27,090,825	77.0	88.9
Maine	14,241,416	11,982,750	10,215,739	1,182,495	11,398,234	80.0	85.3
Maryland	3,986,826	2,337,538	2,091,700	295,707	2,387,407	59.9	89.5
Massachusetts	1,783,452	1,542,340	1,324,019	178,074	1,502,093	84.2	85.8
Michigan	18,430,674	12,969,335	12,351,349	1,913,357	14,264,706	77.4	95.2
Minnesota	28,254,335	18,924,408	18,588,026	3,181,469	21,769,495	77.0	98.2
Mississippi	47,375,248	37,520,423	33,414,159	3,709,634	37,123,793	78.4	89.1
Missouri	36,656,222	27,071,028	26,457,841	4,031,352	30,489,193	83.2	97.7
Montana	24,941,696	17,750,396	15,462,256	2,506,719	17,968,975	72.0	87.1
Nebraska	27,409,436	21,688,920	19,808,806	3,626,297	23,435,103	85.5	91.3
Nevada	1,685,553	1,435,546	1,168,774	194,128	1,362,902	80.9	81.4
New Hampshire	2,747,006	1,838,240	1,622,234	307,058	1,929,292	70.2	88.2
New Jersey	3,851,820	2,689,746	2,007,026	325,060	2,332,086	60.5	74.6
New Mexico	10,243,318	6,988,079	6,188,782	844,711	7,033,493	68.7	88.6
New York	15,572,343	9,261,503	8,349,020	1,465,723	9,814,743	63.0	90.1
North Carolina	37,743,789	30,284,987	28,000,020	2,237,472	30,237,492	80.1	92.5
North Dakota	19,600,559	15,196,823	13,601,127	2,507,756	16,108,883	82.2	89.5
Ohio	17,989,829	14,130,679	13,313,939	2,207,154	15,521,093	86.3	94.2
Oklahoma	55,803,083	38,894,281	38,143,690	4,714,927	42,858,617	76.8	98.1
Oregon	11,938,487	9,822,873	9,076,990	1,143,183	10,220,173	85.6	92.4
Pennsylvania	12,007,559	6,631,278	6,356,171	1,145,495	7,501,666	62.5	95.9
Rhode Island	444,165	340,819	295,287	51,519	346,806	78.1	35.1
South Carolina	22,764,014	17,250,668	13,642,983	2,105,277	15,748,260	69.2	79.1
South Dakota	29,889,176	22,498,323	18,847,321	3,994,217	22,841,538	76.4	83.8
Tennessee	13,122,783	10,211,077	9,905,530	1,027,188	10,932,718	83.3	97.0
Texas	91,174,765	68,153,866	63,284,837	6,500,818	69,785,655	76.5	92.9
Utah	10,698,682	7,988,612	7,450,072	1,248,206	8,698,278	81.3	93.3
Vermont	3,038,802	2,204,408	2,134,480	332,716	2,467,196	81.2	96.8
Virginia	10,423,230	9,090,295	8,028,601	969,594	8,998,195	86.3	88.3
Washington	14,754,060	13,304,202	11,642,585	1,517,676	13,160,261	89.2	87.5
West Virginia	9,055,998	5,466,932	4,975,348	1,058,608	6,033,956	66.6	91.0
Wisconsin	24,077,356	16,307,412	16,819,576	2,404,431	19,224,007	79.8	103.1
Wyoming	19,785,213	14,743,055	13,274,712	2,247,900	15,522,612	78.5	90.0
Alaska	334,710	64,647	56,441	47,019	103,460	30.9	87.3
Hawaii	500,393	323,445	310,998	35,885	346,883	69.3	96.2
Puerto Rico	5,299,070	3,295,828	3,071,612	263,835	3,335,447	62.9	93.2
Virgin Islands	120,286	69,219	59,612	12,221	71,833	59.7	86.1

[1] All Rural Rehabilitation Loans to individuals and groups, including amounts appropriated for Water Facilities in arid and semi-arid areas under Pope-Jones Act; does not include Corporation Trust Funds.

[2] Includes $15,289,305 non-cash advances covering sale of project units.

[3] Includes $1,574,583 unapplied collections.

[4] Includes $174,954 unapplied collections.

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Appendix: Table II.--Farm Tenancy: *Loans and Collections by States as of June 30, 1946*[1]

State and Territory	Amount of loans approved[2]	Collections				
		Principal[3]	Interest	Unapplied	Total	Extra payments[4]
(1)	(2)	(3)	(4)	(5)	(6)	(7)
U. S. TOTAL	$259,147,970	$74,628,085	$23,164,404	$436,838	$98,229,327	$23,026,897
Alabama	14,883,620	4,446,958	1,335,906	14,695	5,797,559	2,319,452
Arizona	344,373	49,066	28,677	89	77,832	14,296
Arkansas	12,346,288	2,694,799	1,043,651	12,349	3,750,799	1,024,950
California	2,649,699	822,621	234,611	7,093	1,064,325	193,531
Colorado	2,281,942	738,777	198,492	0	937,269	105,035
Connecticut	166,958	36,789	13,050	0	49,839	22,339
Delaware	371,970	64,182	27,007	6,153	97,342	10,863
Florida	1,659,323	401,843	116,911	1,260	520,014	227,591
Georgia	16,843,799	4,642,678	1,549,475	9,336	6,201,489	2,188,456
Idaho	1,466,966	442,727	98,991	1,518	543,236	84,776
Illinois	7,051,533	2,382,626	826,078	27,600	3,236,304	701,752
Indiana	5,669,769	1,770,518	523,078	13,748	2,307,344	423,738
Iowa	8,222,443	3,084,663	938,491	42,176	4,065,330	915,029
Kansas	6,466,037	2,069,461	563,598	1,438	2,634,497	342,192
Kentucky	6,564,676	2,915,417	714,838	5,794	3,636,049	828,686
Louisiana	8,992,248	1,837,630	785,162	8,709	2,631,501	670,986
Maine	505,007	70,796	21,686	320	92,802	13,018
Maryland	1,535,056	285,150	109,585	855	395,590	89,663
Massachusetts	314,884	25,481	14,727	15	40,223	5,643
Michigan	3,705,286	968,301	315,852	12,435	1,296,588	251,617
Minnesota	7,918,693	2,525,771	699,228	18,440	3,243,439	466,547
Mississippi	17,944,070	3,160,531	1,357,878	7,510	4,525,919	1,308,349
Missouri	9,213,555	2,596,317	852,093	12,822	3,461,232	729,118
Montana	1,435,039	284,361	89,279	255	373,895	47,690
Nebraska	5,912,618	2,465,015	511,026	1,628	2,977,669	232,381
Nevada	71,274	7,395	4,293	0	11,688	1,410
New Hampshire	103,803	16,719	7,630	0	24,349	10,826
New Jersey	963,883	80,027	46,191	0	126,218	34,026
New Mexico	913,674	235,269	57,927	460	293,656	28,198
New York	2,971,157	547,975	192,503	4,748	745,226	112,491
North Carolina	12,494,788	4,887,555	1,226,174	14,511	6,128,240	1,755,407
North Dakota	3,467,368	1,354,698	239,132	617	1,594,447	60,476
Ohio	5,688,978	2,001,115	604,697	22,597	2,628,409	862,344
Oklahoma	12,786,336	3,717,148	1,134,135	54,251	4,905,534	938,813
Oregon	1,208,087	356,941	100,236	599	457,776	80,393
Pennsylvania	4,035,532	768,075	306,113	9,555	1,083,743	226,757
Rhode Island	10,297	6,510	1,568	0	8,078	0
South Carolina	9,926,319	2,685,994	955,666	6,747	3,648,407	1,220,964
South Dakota	3,699,408	1,238,290	302,622	9,247	1,550,159	89,985
Tennessee	8,939,786	3,257,297	932,598	15,381	4,205,276	1,002,068
Texas	27,810,007	7,378,560	2,420,062	42,238	9,840,860	1,493,240
Utah	999,529	74,355	30,247	0	104,602	16,020
Vermont	414,422	48,204	23,618	7,730	79,552	18,215
Virginia	4,700,427	1,646,316	482,534	11,080	2,139,930	585,741
Washington	1,353,800	381,709	123,851	486	506,046	101,729
West Virginia	2,125,497	463,856	203,977	524	668,357	216,535
Wisconsin	4,799,409	1,741,079	384,033	13,654	2,138,766	449,398
Wyoming	759,605	87,474	32,982	0	120,456	33,532
Hawaii	1,217,086	562,978	128,392	3,650	695,020	285,440
Puerto Rico	3,214,636	300,068	253,853	12,525	566,446	185,191
Alaska	7,010	0	0	0	0	0

[1] Includes $9,038,944 non-cash advances covering sale of project units; excludes state rural rehabilitation corporation trust funds.
[2] Inclusive of recoverable and repair costs.
[3] Inclusive of extra payments.
[4] Included in columns (2) and (5).

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Appendix: Table III. *Tenant Purchase and Farm Enlargement Borrowers: Actual Payments by All Active Tenant Purchase Borrowers Compared with Amounts Which Would Have Been Due Under a Fixed Payment Plan, Cumulative as of March 31, 1946*

State and Territory	Active borrowers		Amount which would have been due under a fixed payment plan	Amount paid excluding extra payments	Net Amount ahead or behind schedule	Percent paid ahead or behind schedule	Extra payments[1]
	Number	Amount loaned					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
U. S. TOTAL	33,727	$192,947,591	$31,232,719	$49,539,733	$18,307,014	59	$21,340,319
Alabama	2,865	11,545,024	1,813,634	2,323,423	509,789	28	2,155,363
Arizona	25	225,542	36,407	55,053	18,646	51	14,296
Arkansas	1,918	8,330,274	1,389,320	1,597,502	208,182	15	950,628
California	198	1,901,312	279,830	484,458	204,628	73	136,406
Colorado	163	1,683,221	282,328	545,022	262,694	93	95,757
Connecticut	12	99,402	14,108	15,470	1,362	10	16,050
Delaware	41	253,586	32,469	43,175	10,706	33	10,863
Florida	261	1,097,513	170,017	214,004	43,987	26	214,517
Georgia	3,513	13,179,479	2,170,199	2,773,749	603,550	28	2,031,608
Idaho	89	819,082	124,716	245,244	120,528	97	84,776
Illinois	603	5,978,767	1,162,634	1,768,033	605,399	52	653,457
Indiana	468	4,308,267	727,665	1,316,503	588,838	81	386,083
Iowa	771	6,890,611	1,279,361	2,127,344	847,983	66	883,920
Kansas	560	4,761,218	771,898	1,403,851	631,953	82	290,278
Kentucky	734	5,170,371	909,433	1,993,074	1,083,641	119	828,686
Louisiana	1,351	6,756,889	1,069,013	1,339,313	270,300	25	607,506
Maine	33	170,004	18,514	34,886	16,372	88	5,606
Maryland	155	1,086,549	151,953	248,230	96,277	63	83,214
Massachusetts	25	162,281	20,002	28,016	8,014	40	5,643
Michigan	341	2,519,325	416,139	671,694	255,555	61	220,419
Minnesota	632	5,320,788	825,608	1,723,842	898,234	109	371,492
Mississippi	2,753	12,937,037	1,963,034	2,140,707	177,673	9	1,197,566
Missouri	1,178	7,232,095	1,216,332	1,905,515	689,183	57	698,598
Montana	81	768,181	135,212	228,765	93,553	69	37,292
Nebraska	439	4,293,439	666,030	1,583,497	917,467	138	195,928
Nevada	9	53,222	10,777	13,996	3,219	30	2,761
New Hampshire	12	71,473	10,857	13,483	2,626	24	8,426
New Jersey	58	469,302	69,264	93,647	24,383	35	37,916
New Mexico	50	469,710	80,652	158,237	77,585	96	27,474
New York	276	1,644,693	227,614	394,136	166,522	73	106,073
North Carolina	2,138	9,656,455	1,572,120	2,856,574	1,284,454	82	1,594,097
North Dakota	318	2,174,982	316,820	790,363	473,543	149	57,390
Ohio	581	4,717,990	849,370	1,279,637	430,267	51	836,146
Oklahoma	1,608	9,674,989	1,510,339	2,476,198	965,859	64	893,246
Oregon	95	779,505	109,811	197,278	87,467	80	68,229
Pennsylvania	446	2,696,041	394,983	599,527	204,544	52	203,426
Rhode Island	1	4,447	1,154	1,530	376	33	0
South Carolina	1,904	7,976,173	1,361,386	1,726,770	365,384	27	1,129,147
South Dakota	363	2,769,824	425,759	938,773	513,014	120	89,331
Tennessee	1,343	7,111,464	1,198,135	2,134,270	936,135	78	933,539
Texas	2,817	20,716,227	3,235,076	5,578,461	2,343,385	72	1,421,665
Utah	37	306,456	49,702	78,899	29,197	59	15,766
Vermont	38	205,360	30,600	42,003	11,403	37	14,238
Virginia	705	3,806,187	644,427	1,041,584	397,157	62	559,306
Washington	120	1,021,273	155,012	255,850	100,838	65	95,237
West Virginia	384	1,865,905	293,739	353,348	59,609	20	192,287
Wisconsin	497	3,439,242	479,980	1,121,407	641,427	134	429,248
Wyoming	38	342,746	59,594	80,260	20,666	35	33,880
Hawaii	143	767,784	139,997	204,934	64,937	46	281,625
Puerto Rico	537	2,715,884	359,695	298,198	-61,497	-17	133,914

[1] Includes extra payments made by paid-up borrowers in the amount of $10,491,936.

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Appendix: Table IV.--*Water Facilities Loans, Maturities and Collections Cumulative as of June 30, 1946*[1]

State	Cumulative loan obligations	Cumulative matured principal	Cumulative repayments on principal	Cumulative interest payments	Ratio of total collections to total loans	Ratio of principal repayments to matured principal
(1)	(2)	(3)	(4)	(5)	(6)	(7)
U. S. TOTAL	$ 6,003,009	$ 2,558,676	$ 2,670,131	$ 318,952	49.8	104.4
Arizona	207,115	55,963	55,291	11,291	32.1	98.8
California	359,800	161,164	168,527	20,315	52.5	104.6
Colorado	344,047	152,844	151,858	24,188	51.2	99.4
Idaho	632,874	238,294	246,342	48,557	46.6	103.4
Kansas	120,303	85,923	81,212	6,127	72.6	94.5
Montana	224,576	65,991	68,592	9,637	34.8	103.9
Nebraska	283,593	145,078	149,195	12,516	57.0	102.8
Nevada	54,829	19,678	17,568	2,420	36.5	89.3
New Mexico	210,366	89,866	93,598	8,617	48.6	104.2
North Dakota	89,027	49,618	51,581	3,215	61.5	104.0
Oklahoma	346,213	186,227	190,170	16,518	59.7	102.1
Oregon	352,754	158,025	165,708	20,931	52.9	104.9
South Dakota	120,243	58,156	51,627	3,800	46.1	88.8
Texas	1,383,403	632,741	696,252	58,874	54.6	110.0
Utah	551,710	119,104	141,969	29,902	31.2	119.2
Washington	284,670	137,519	140,787	14,012	54.4	102.4
Wyoming	437,486	202,485	199,854	28,032	52.1	98.7

[1] Water Facilities loans to individuals and associations. These figures are included in table on Rural Rehabilitation loans, maturities and collections as of June 30, 1946.

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Appendix: Table V.-- *Loans to World War II Veterans in the Rural Rehabilitation and Farm Ownership Programs Cumulative as of June 30, 1946*

State and Territory	Rural Rehabilitation loans				Farm Ownership loans			Total number original loans	Total amount of loans approved
	Number of appli-cations	Number original loans approved	Number supple-mental loans approved	Amount all RR loans	Number of appli-cations	Number loans ap-proved	Amount FO loans		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
U. S. TOTAL	38,521	17,779	2,257	$29,155,150	29,529	2,101	$16,475,977	19,880[1]	$45,631,127[1]
Alabama	956	339	35	242,398	1,567	79	493,598	418	735,996
Arizona	77	20	7	41,791	90	6	71,470	26	113,261
Arkansas	1,944	721	181	758,070	2,546	135	711,525	856	1,469,595
California	405	178	16	373,138	353	16	189,710	194	562,848
Colorado	854	319	48	609,236	458	17	179,730	336	788,966
Connecticut	38	16	1	24,220	30	3	30,267	19	54,487
Delaware	34	26	9	56,527	47	10	67,975	36	124,502
Florida	423	132	21	107,622	575	29	189,804	161	297,426
Georgia	787	171	37	168,504	1,279	111	642,298	282	810,802
Idaho	728	397	41	797,690	664	29	326,985	426	1,124,675
Illinois	673	299	19	539,224	114	1	10,485	300	549,709
Indiana	649	230	20	433,351	304	14	139,104	244	572,455
Iowa	991	542	71	1,125,738	53	2	18,515	544	1,144,253
Kansas	1,263	666	82	1,294,415	395	37	359,140	703	1,653,555
Kentucky	784	401	108	277,168	587	11	93,705	412	370,873
Louisiana	886	318	34	350,420	874	25	131,468	343	481,888
Maine	305	177	19	310,627	228	30	226,095	207	536,722
Maryland	169	87	20	172,132	127	31	252,223	118	424,355
Massachusetts	59	35	4	59,202	88	14	135,027	49	194,229
Michigan	1,091	668	90	1,205,099	430	55	486,200	723	1,691,299
Minnesota	1,431	838	61	1,590,022	498	70	463,085	908	2,053,107
Mississippi	1,412	493	101	390,571	1,776	108	663,993	601	1,054,564
Missouri	2,158	967	139	1,476,347	927	61	428,760	1,028	1,905,107
Montana	716	291	22	626,151	786	40	426,890	331	1,053,041
Nebraska	1,216	576	63	1,210,343	326	19	201,473	595	1,411,816
Nevada	71	15	3	35,627	72	3	33,450	18	69,077
New Hampshire	92	34	6	69,976	49	3	23,337	37	93,313
New Jersey	141	106	6	192,455	172	52	491,367	158	683,822
New Mexico	611	267	45	478,149	403	25	281,065	292	759,214
New York	622	332	25	722,648	470	108	762,572	440	1,485,220
North Carolina	714	391	61	266,752	880	40	209,528	431	476,280
North Dakota	1,065	523	40	1,068,474	463	38	395,817	561	1,464,291
Ohio	498	272	34	416,517	175	8	63,420	280	479,937
Oklahoma	4,270	1,897	204	3,108,774	2,110	133	1,005,181	2,030	4,113,955
Oregon	394	155	22	292,747	346	20	217,201	175	509,948
Pennsylvania	624	376	21	598,898	630	101	693,349	477	1,292,247
Rhode Island	17	6	0	9,600	5	0	0	6	9,600
South Carolina	398	158	9	84,987	602	24	153,613	182	238,600
South Dakota	1,268	750	53	1,631,754	302	27	263,829	777	1,895,583
Tennessee	610	237	45	173,285	733	24	169,296	261	342,581
Texas	4,171	1,791	254	3,016,210	4,362	311	2,830,018	2,102	5,846,228
Utah	346	175	17	308,945	373	63	683,209	238	992,154
Vermont	80	44	5	99,586	94	23	179,665	67	279,251
Virginia	194	103	15	69,741	176	9	66,210	112	135,951
Washington	288	113	15	231,637	232	7	73,075	120	304,712
West Virginia	205	100	14	77,383	286	17	112,149	117	189,532
Wisconsin	1,152	674	62	1,275,749	436	58	362,505	732	1,638,254
Wyoming	461	266	34	640,241	193	39	397,575	305	1,037,816
Alaska	7	4	0	7,500	6	1	7,010	5	14,510
Hawaii	9	4	1	10,350	10	1	9,100	5	19,450
Puerto Rico	163	78	17	26,219	827	13	52,911	91	79,130
Virgin Islands	1	1	0	940	0	0	0	1	940

[1] In addition, 105 original water facilities and flood loans were approved for World War II veterans, in the total amount of $164,656.